

ORDER NO. 4417

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;  
Tony Hammond, Vice Chairman;  
Mark Acton; and  
Nanci E. Langley

Competitive Product Prices  
Global Reseller Expedited Package Services 2  
(MC2013-51)  
Negotiated Service Agreements

Docket No. CP2016-89

ORDER APPROVING MODIFICATION TWO TO  
GLOBAL RESELLER EXPEDITED PACKAGE SERVICES 2 NEGOTIATED SERVICE  
AGREEMENT AND DENYING AS MOOT MOTION FOR TEMPORARY RELIEF

(Issued February 22, 2018)

I. INTRODUCTION

The Postal Service seeks to modify a Global Reseller Expedited Package Services 2 negotiated service agreement.<sup>1</sup> For the reasons discussed below, the Commission approves the Modification.

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<sup>1</sup> Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification Two to a Global Reseller Expedited Package Contracts 2 Negotiated Service Agreement, February 20, 2018 (Notice). The modification is an attachment to the Notice (Modification).

In Order No. 3008, the Commission approved the Global Reseller Expedited Package Services 2 negotiated service agreement (Existing Agreement).<sup>2</sup> On February 20, 2018, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

## II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

*Cost considerations.* The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Existing Agreement is set to expire February 28, 2018. Order No. 3750 at 4. The Modification revises the expiration date of the contract to March 31, 2018. Notice at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

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<sup>2</sup> Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, January 8, 2016 (Order No. 3008). The contract was later modified. See Order Approving Modification to a Global Reseller Expedited Package Services 2 Negotiated Service Agreement, January 12, 2017 (Order No. 3750).

*Other considerations.* The Existing Agreement, as modified, is set to expire March 31, 2018. *Id.* If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified. Accordingly, the Motion for Temporary Relief is denied as moot.

### III. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission approves the Global Reseller Expedited Package Services 2 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, March 31, 2018.
3. The Postal Service's Motion for Temporary Relief is denied as moot.

By the Commission.

Ruth Ann Abrams  
Acting Secretary